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Final Version

July 23, 1999

2000 - 2004 Strategic Plan

BC Assessment

BC Assessment

Mission

BC Assessment provides an independent, uniform, and efficient real estate valuation, classification, and information system for the people of British Columbia and all levels of government.

Vision

BC Assessment will be known as the best real property valuation, information, and services organization, while creating an environment for employees that makes it the choice for professionals in their fields.

Corporate Overview

BC Assessment is a provincial Crown corporation established 25 years ago to produce and maintain assessments that are uniform throughout the whole of British Columbia, in accordance with the *Assessment Act*. The Board of Directors provides policy direction and performance review, while valuation and operational matters are the responsibility of the Assessment Commissioner and Chief Executive Officer.

BC Assessment's core function is to establish and maintain uniform real property assessments throughout the province, using current market data as a guide. BC Assessment must also classify all real property according to use, produce the annual assessment roll and send assessment notices to all real property owners. The assessment roll contains the actual value (estimated market value) of the land and improvements as well as the use classification and taxability of 1.6 million properties. For some properties, most notably farmland, the assessment roll contains a value determined in accordance with a prescribed formula, not necessarily market value.

A critical element of the system in British Columbia is that BC Assessment operates independently of the jurisdictions that levy property taxes including the provincial government.

The assessment roll is the foundation upon which the provincial government and local governments raise approximately 3.5 billion dollars in revenue annually for public services.

BC Assessment employs approximately 685 staff in 25 offices throughout British Columbia. The organization consists of several divisions – Valuation Services; Information Services; Policy, Audit and Legal Services; Communications; Human Resources; Corporate Planning; and Financial Services.

Products and Services

BC Assessment's products and services are relied upon by British Columbia's citizens, their provincial, municipal, and regional governments, and other public bodies that generate real property tax revenue, including improvement districts, hospital boards, schools, and BC Transit. There are over 300 major taxing jurisdictions in British Columbia.

Annual Assessment Rolls

The assessment rolls contain the legal description, ownership, assessed value, use classification, and other details for every property in British Columbia. There are four types of rolls:

- *The Completed Roll*: this is completed by BC Assessment and approved by the Assessment Commissioner in December of each year;
- *The Authenticated Roll*: this includes amendments made by the Property Assessment Review Panels during February and March;
- *The Supplementary Rolls:* these contain changes and corrections to the Authenticated Roll, and are issued between April and December; and
- *The Grant Rolls:* these contain the assessed value of properties that are exempt from property taxation, such as government properties, schools, and hospitals. They are produced annually and provided to exempt property owners and municipalities, and often provide a foundation for grants in lieu of property taxes.

Assessment Notices

BC Assessment provides each real property owner with a notice of assessed value of land and improvements, if any. Approximately 1.6 million assessment notices are sent by mail by December 31st of each year.

For the majority of properties, the assessment is the estimation of a property's market value as of July 1st each year. This means that assessment notices mailed in December of each year reflect the value six months earlier.

First Nations Assessment Rolls

BC Assessment provides assessment rolls on a contract basis to approximately 40 First Nations that have chosen to establish independent real property taxation systems.

Statutory Reports

These reports provide value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas, and hospital and transit services.

Commercial Products and Services

BC Assessment makes several products and services available for a fee. These include access through BC OnLine to the published assessment roll, provision of bulk electronic assessment rolls, sales data and residential inventory data, custom reports, land title survey plans, and professional consulting services.

Review Process

BC Assessment advances the broad public interest by ensuring that the assessment roll accurately represents values and therefore provides an equitable basis for property taxation. Fairness is a hallmark for BC Assessment employees in their service to the community.

Property owners who question the accuracy or fairness of their assessment often resolve these issues by meeting with staff at BC Assessment's local offices. If issues are not resolved, property owners may seek a review by independent tribunals. The first level of appeal is to the Property Assessment Review Panels. The second level of appeal is to the Property Assessment Appeal Board. These appeal tribunals are independent of BC Assessment and the taxing jurisdictions, and are administered by the Ministry of Municipal Affairs. Higher courts hear appeals based on matters of law.

Trends and Issues

Expectations of Quality

BC Assessment's customers are continuing to increase their expectations of service and roll quality. Local governments and taxpayers are placing higher demands on the assessment roll with regard to uniformity, consistency, and accuracy.

Expectations of Government

The provincial government has increasing expectations and requirements of Crown corporations. These include financial participation in the funding of other government activities, oversight of strategic planning and performance monitoring, a new directive regarding standards of conduct, and advancement of broader social and economic development objectives. In meeting these expectations, BC Assessment must ensure that the unbiased independence of the assessment function is maintained.

Complexity

Appraisal for property tax purposes is becoming more complex. Factors such as the increased roll of tax agents, the heightened importance of uniformity and consistency, and our increased use of technology all contribute to increased job complexity.

Staff Demographics

Over the next ten years, a large number of staff will be retiring. This creates several important challenges and opportunities and highlights the need for succession planning.

Staff Expectations

To a much greater extent than in the past, employees expect more flexibility, meaningful work, to take responsibility for the outcome of their work, and growth in learning.

Continued Growth

The number of properties that must be assessed annually will continue to grow. BC Assessment is committed to accurately valuing these new properties without increasing staffing levels.

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First Nations Issues

As the First Nations of British Columbia move toward self-governance, property taxation will become increasingly important to them. This creates opportunities for BC Assessment to strengthen and expand its relations with First Nations by providing them with consultation, assessment, and related products and services.

Technology

Technological change is continuing to impact the assessment field. It is creating opportunities for greater efficiency as well as challenges in terms of capital costs and staff training.

Goals

To fulfil our mandate and to reach our vision, BC Assessment has established six key goals:

- Product Quality;
- Customer Service;
- Fiscal Responsibility;
- Human Resources Leadership;
- Partnership Opportunities; and
- Social and Environmental Responsibility.

Within each goal, BC Assessment has established targets from 2000 through the year 2004. Over this time frame, BC Assessment will consider what is working, what is not, and where limited resources can be utilized in the most relevant and effective manner. This requires a focus on results. Targets have therefore been established to track progress and to indicate when results meet planned objectives.

Goal - Product Quality: To improve uniformity and assessment products while advancing assessment practices

- **Target** – The median Assessment-to-Sales Ratio for the residential assessment roll in British Columbia will be 97 per cent.

- **Target** – The Coefficient of Dispersion for the provincial assessment roll will be less than 10 per cent for homogeneous residential regions and less than 15 per cent for heterogeneous residential regions.

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- **Target** – The Price-Related Differential will be between 0.98 and 1.03 for residential properties.

- **Target** – By the end of 2000, BC Assessment will review assessment standards, other than those of the IAAO, and will develop additional roll quality benchmarks and measures for all properties.

- **Target** – By the year 2003, BC Assessment will review assessment processes against other public and private organizations, and will implement changes that will improve achievement of our legislated uniformity and consistency objective.

- **Target** – By the end of 2000, BC Assessment will deliver its Assessment Geographic Information Systems (AGIS) to all offices subject to the availability of the required digitized map bases.

- **Target** – By the year 2003, implement the efficiencies identified in the Operational Review process commenced in 1999.

Goal - Customer Service: *To provide a level of service that exceeds our customers' expectations*

- **Target** – Each year, 98 per cent of residential assessments will be accepted without referral to the Property Assessment Review Panel.

- **Target** – Each year, 95 per cent of non-residential assessments will be accepted without referral to the Property Assessment Review Panel or the Property Assessment Appeal Board.

- **Target** – By 2001, all assessment offices will have electronic access to Human Resources and Financial Services information and reports.

- **Target** – Each year, each Area Office and Division within BC Assessment will meet or exceed its customer service targets, and review and refine those targets and measurement systems.

Goal - Fiscal Responsibility: *To reduce the average cost of assessment per folio*

- **Target** – Over the next five years, the current staff complement will remain fixed and will absorb the projected parcel growth of 200,000 folios.

- **Target** – By 2002, annual mainframe computer processing costs will be reduced by 50 per cent from the 1997 costs of $2.2 M.

- **Target** – Over the next five years, BC Assessment will reduce the overall resources spent on complaints and appeals from the average levels of the last five years.

- **Target** – By the end of 2003, accommodation costs (the base costs for BC Assessment's office space) will be reduced from 1999 levels.

Goal - Human Resources Leadership: *To foster a climate that encourages personal growth, continuing corporate success, workforce diversity and commitment to our shared vision*

- **Target** – By the end of 2002, the knowledge, skills, and attributes needed for all positions at BC Assessment will be established.

- **Target** – By the end of 2002, a succession plan will be in place for all positions at BC Assessment.

- **Target** – By 2003, our workforce will reflect the diversity of the province we serve.

- **Target** – Over the term of this Plan, the multi-year training program developed in 1999 will be implemented.

- **Target** – Over the term of this Plan, BC Assessment will provide resources to all staff to foster empowerment and personal development.

- **Target** – BC Assessment will continue the Living Well Program in every office to promote a healthy and balanced workforce.

- **Target** – By 2004, the percentage of BC Assessment appraisal staff accredited by their professional associations will increase by 10 per cent over the 1998 level.

- **Target** – By the end of 2001, BC Assessment will review all corporate policies and procedures and alter those that impede achievement of corporate and personal goals.

Goal - Partnership Opportunities: *To develop strategic alliances that use our unique information, skills, systems, and data for the benefit of the communities we serve, while enhancing our core function*

- **Target** – Each year, annual initiatives will be developed to strengthen and expand our relations with local governments and First Nations.

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- **Target** – Over the term of this Plan, BC Assessment will increase the understanding among elected local government leaders of BC Assessment's functions, products, and services.

- **Target** – Over the term of this Plan, the level of satisfaction with BC Assessment's products and services, as measured through customer-service surveys, will increase among local governments and First Nations.

- **Target** – By 2003, ten per cent of the operating budget of BC Assessment will be funded from marketing revenues.

Goal – Social and Environmental Responsibility: To help strengthen the communities we serve and to protect the natural environment of British Columbia

- **Target** – In 2000, BC Assessment will begin implementing a corporate social responsibility program.

- **Target** – By the end of 2001, we will complete a social and environmental audit of BC Assessment's operations.

- **Target** – In 2000, the implementation of the key recommendations of the Sustainability Ventures Group in *Toward Environmental Leadership: An EMS Review for BC Assessment* will be completed, and new environmental activities will be identified.

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APPENDIX A

ASSESSMENT ROLL QUALITY MEASURES

The most important and widely accepted statistical measures of the quality of the assessment roll are the median *Assessment-to-Sales Ratio* (ASR), the *Coefficient of Dispersion* (COD) and the *Price-Related Differential* (PRD). These form the basis of the critical performance targets.

i. Assessment-to-Sales Ratio

The ASR is calculated by dividing the actual value (as determined by BC Assessment) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if BC Assessment assessed a property with a value of $243,000, and it sold for $250,000, the ASR would be 97.2 per cent.

Acceptable ASR standards for BC Assessment will be 94 to 100 per cent, with a target of 97 per cent. The target of 97 per cent of sale price represents 100 per cent of market value of **assessable** real property. The actual sales price of a property often includes an amount for non-assessable items; once the non-assessable items are adjusted out of the sales price, the resulting 97 per cent is equivalent to 100 per cent of the market value of the assessable property.

The International Association of Assessing Officers (IAAO) has set a standard for a median ASR of 90 per cent to 110 per cent for an acceptable level of assessment achievement. BC Assessment's target of 97 per cent exceeds this standard.

ii. Coefficient of Dispersion

The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

The IAAO achievement standards for COD are between 10 per cent to 15 per cent for homogeneous and heterogeneous single family residential properties, between 15 per cent to 20 per cent for income properties, and 20 per cent for vacant land.

iii. Price-Related Differential

The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-valued properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

BC Assessment has adopted the IAAO standard of a PRD of between 0.98 and 1.03 for the next five years. PRD under 0.98 indicates progressivity, and over 1.03 indicates regressivity.

The following table summarizes the provincial results for single-family residential properties. These properties represent 74.4 per cent of the parcels in British Columbia, and 63.4 per cent of the market-derived value on the assessment roll.

Single Family Residential Property - 1999 Authenticated Roll				
Jurisdiction type	**Sales**	**Median ASR**	**COD**	**PRD**
All Jurisdictions	23,156	96.2 %	5.5 %	1.008
City	12,835	96.3 %	5.1 %	1.005
District	6,480	96.3 %	5.2 %	1.011
Town	764	96.6 %	5.4 %	1.004
Village	577	96.3 %	7.8 %	1.013
Rural	2,500	95.7 %	8.2 %	1.015
Vertical Analysis Category	**Sales**	**Median ASR**	**COD**	**PRD**
Low End Housing (manual class: 030 to 060, and 080 to 090)	8,191	96.2 %	6.3 %	1.008
Mid Range Housing (manual class: 140s and 150s)	14,267	96.2 %	4.9 %	1.006
High End Housing (manual class: 070s, and 160s and above)	578	95.6 %	5.9 %	1.017